

MINUTES
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 113

January 15, 2018

The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 113 (the "District") met in regular session, open to the public, on January 15, 2018, at 101 Elk Trace, Montgomery, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

| <u>Board Member</u> | <u>Precinct</u> | <u>Title</u> |
|----------------------------|------------------------|--------------------------|
| David Garrett | Precinct 4 | President |
| Amy Scott | Precinct 5 | Vice President |
| Chris Uzelmeier | Precinct 3 | Secretary |
| Robert Green | Precinct 1 | Assistant Vice President |
| Cato McDaniel | Precinct 2 | Assistant Secretary |

and all of the above were present, thus constituting a quorum.

Also present at the meeting were: Cobi Barnett and Lauren Luca representing Woodforest Owners Association, Inc.; Matt Klein of TBG, Inc. ("TBG"); Stephen Eustis of Robert W. Baird & Co.; Michael Williams and Lonnie Wright of Municipal Operations & Consulting, Inc. ("MOC"); Bill Kotlan of Brown & Gay Engineering, Inc. ("B&G"); Erin Garcia of Myrtle Cruz, Inc.; Adam Delouche, Stephen Barrera and Virgil Yoakum of Woodforest Development, Inc. ("WDI"); Victoria Mundie, Mike Johnson and Vince Salazar of LJA Engineering, Inc. ("LJA"); David Patterson of Assessments of the Southwest, Inc.; Deputy Josh Hunter of the Montgomery County Sheriff's Office; Tiana Smith of Waste Management ("WM"); Jason Rainosek of Landology, LLC; and Nancy K. Carter, Amy N. Love, and Keely Campbell of The Muller Law Group, PLLC ("MLG"). A list of others in attendance is attached.

MINUTES

The Board considered approving the minutes of the December 18, 2017, regular meeting. After review and discussion, Director Scott moved to approve the minutes of December 18, 2017, regular meeting. Director Green seconded the motion, which passed by unanimous vote.

COMMENTS FROM THE PUBLIC

Director Garrett opened the meeting to receive public comments.

District residents addressed their concerns about parking at Kinderwood Park. In response to the residents, Director Garrett stated that this matter will be discussed later in the meeting.

DISTRICT NEWSLETTER

Director Uzelmeier updated the Board on preparation of the District newsletter. He recommended the Board approve a new Service Agreement with Off Cinco to add additional services related to production and distribution of the District newsletter. Ms. Carter also reported that the Google Translate add-in could be implemented to the District's website for a one-time fee of \$100. She stated that the add-in could

translate the website, including election matters, into multiple languages, including Spanish. Following review and discussion, Director Uzelmeier moved to: (1) approve and authorize execution of a Service Agreement with Off Cinco, pending receipt of a Form 1295, and direct that these documents be filed appropriately and retained in the District's official records; and (2) approve the one-time fee of \$100 to add a Google Translate add-in to the District's website. Director McDaniel seconded the motion, which passed by unanimous vote.

SECURITY MATTERS, INCLUDING MEMORANDUM OF UNDERSTANDING WITH MONTGOMERY COUNTY FOR JOINT PATROL SERVICES

The Board reviewed the District's Monthly Activity Report, a copy of which is attached. Deputy Hunter reported on burglary events in the District and related arrests.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, copy of which is attached. After review and discussion, Director Green moved to approve the bookkeeper's report, including authorizing payment of the submitted bills. Director McDaniel seconded the motion, which passed by unanimous vote.

2018 DIRECTORS ELECTION

Ms. Carter stated that the District may contract with Montgomery County (the "County") to conduct the District's 2018 Directors Election. After discussion, Director Uzelmeier moved to authorize the Board President to execute a contract with the County to administer the District's elections, if needed, and to direct that these documents to be retained in the District's official records, if executed. Director Green seconded the motion, which passed by unanimous vote.

Ms. Carter next reviewed an Order Calling Directors Election. Following review and discussion, Director Uzelmeier moved to adopt the Order Calling Directors Election and direct that it be filed appropriately and retained in the District's official records. Director Green seconded the motion, which passed by unanimous vote.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES

No Board action was taken regarding this agenda item.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson distributed and reviewed the monthly tax assessor/collector's report, including checks presented for approval, and the delinquent tax list, a copy of which is attached. He reported that the District's 2017 taxes were 63.88% collected as of December 31, 2017. Following review and discussion, Director Green moved to approve the tax assessor/collector's report, including payment of the tax bills listed in the report. Director Scott seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

Mr. Delouche reported on development in the District, including year-to-date homes sales, commercial development, and community marketing events.

ENGINEERING MATTERS

Ms. Mundie presented and reviewed the engineer's report, a copy of which is attached, including: (1) requests for approval of plans and specifications and authorization to advertise for bids for projects; and (2) recommendations for approval of pay estimates and/or change orders, as noted therein.

Ms. Mundie reviewed bids received for construction of sewer and drainage facilities to serve Woodforest, Section 93 and recommended the contract be awarded to AR Turnkee Construction Co. in the amount of \$121,738.25. She noted that the original bid included construction of water facilities, which have since been removed. After review and discussion, and based on the engineer's recommendation, the Board determined that, in their judgment, such bidder would be most advantageous to the District and would result in the best and most economical completion of the District's facilities. Ms. Carter presented for execution a Letter Financing Agreement with WDI for the project and stated that MLG is waiting on receipt of a Form 1295 from WDI and AR Turnkee Construction Co. for the project.

After review and discussion and based on the engineer's recommendation, Director Uzelmeier moved to: (1) approve the engineer's report, including all recommended action items highlighted in the engineer's report; and (2) award the aforementioned contract, pending review of the bonds, insurance, and Form 1295s, and authorize execution of the Letter Financing Agreement and direct that it be retained in the District's official records. Director McDaniel seconded the motion, which passed by unanimous vote.

FLOOD MITIGATION REPORT

The Board tabled action on this agenda item.

EROSION REPAIR

Ms. Mundie reported that LJA obtained a proposal from HB Hydro Ax, LLC ("HB"), a copy of which is attached, to repair erosion issues in the District. She stated that the proposal, in the amount of \$42,800.00, includes repairs to Woodforest, Section 46, the South Woodforest Bridge, and the Bonterra Bridge. After review and discussion, and based on the engineer's recommendation, Director Green moved to approve the proposal from HB and authorize execution of a Service Agreement and Job Order with HB, subject to receipt of a Form 1295. Director McDaniel seconded the motion, which passed by unanimous vote.

WASTEWATER TREATMENT PLANT

Mr. Kotlan presented and reviewed B&G's engineering report, a copy of which is attached. He presented Pay Application No. 10 in the amount of \$263,363.40, submitted by R & B Group, Inc. ("R&B") for expansion of the wastewater treatment plant. Mr. Kotlan reported that R&B has experienced delays in the construction of the project and that he has requested an updated schedule. He added that he also requested R&B to provide pricing on two additional work items, which will be presented to the Board at the next regular Board meeting.

Mr. Kotlan reported on Phase I of the reuse program. He stated that bids are scheduled to be received in March 2018.

Mr. Kotlan reported on Phase III of the wastewater treatment plant and presented an Engineering Services Agreement with B&G for this project. He added that the Agreement requires B&G to provide the Board with the design of the wastewater treatment plant by December 1, 2018.

Following review and discussion, Director Uzelmeier moved to: (1) approve the B&G engineering report; (2) approve Pay Application No. 10 in the amount of \$263,363.40; and (3) approve Engineering Services Agreement with B&G, subject to receipt of Form 1295, and direct that it be retained in the District's official records. Director Green seconded the motion, which passed by unanimous vote.

SEWER, DRAINAGE, AND ROAD FACILITIES COMMITTEE REPORT

The sewer, drainage, and road facilities committee stated that there were no additional items to report on.

PARKS COMMITTEE REPORT

Residents addressed the Board regarding their concerns about the play structures and parking lot at Kinderwood Park.

The Board reviewed the parks committee report, a copy of which is attached. The parks committee recommended the Board proceed with a parking area for Kinderwood Park and authorize LJA to begin design for the project. They also recommended a closure of gap in fencing between the area neighborhood and the current parking area to prevent people from access to the park through residents' yards.

The parks committee reported that, after a visual inspection, they believed the play structure at Kinderwood Park to be at an acceptable distance from residential homes. They recommended to the Board that the telescope on the larger play structure be removed.

Following review and discussion, Director Green moved to: (1) authorize LJA to design the Kinderwood parking lot; and (2) authorize removal of the telescope from the larger play structure. Director Uzelmeier seconded the motion, which passed by unanimous vote.

LANDSCAPE ARCHITECT'S REPORT

Mr. Klein reviewed TBG's landscape architect's report, a copy of which is attached.

Mr. Klein reported on the status of the Fish Creek Thoroughfare Median Landscape project. He presented and recommended to the Board the approval of Change Order No. 1, decreasing the contract by \$4,514.00 to HD Outdoor Designs, for the removal of eleven trees from the median due to obstructed visibility. Mr. Klein recommended the Board relocate the eleven trees to Christine Allen Park and provided the Board with an invoice in the amount of \$24,475.00 from HD Outdoor Designs. A copy of the invoice is attached to the landscape architect's report.

After review and discussion and based on TBG's recommendation, Director Scott moved to: (1) approve TBG's landscape architect's report; (2) approve Change Order No. 1 to the Fish Creek Thoroughfare Median Landscape project, decreasing the contract by \$4,514.00; and (3) approve invoice from HD Outdoor Design in the amount of \$24,475.00 for tree planting in Christine Allen Park. Director Green seconded the motion, which passed by unanimous vote.

Mr. Salazar gave an update on the status of Stampede Park. No Board action was taken.

Mr. Rainosek reported on the status of Kingsley Park. He stated that the contractor, Earth First Landscape, LLC, was sent a notice of default letter requesting completion of the project by January 31, 2018. Mr. Rainosek then presented Change Order No. 1 in the amount of \$25,278.55 to the contract to add a mailbox pad and additional sidewalks around the park. Following review and discussion, Director Scott moved to approve Change Order No. 1 in the amount of \$25,278.55 for a mailbox pad and additional sidewalks at Kingsley Park. Director Green seconded the motion, which passed by unanimous vote.

PARK MAINTENANCE

Ms. Luca distributed and reviewed a District facilities report, a copy of which is attached. She reviewed a proposal from Treescapes in the amount of \$6,685.00 to add additional mulch to District playgrounds. Discussion ensued, and the parks committee requested Ms. Luca obtain another proposal that includes the cost and amount of mulch needed. No further Board action was taken.

GARBAGE MATTERS

Ms. Smith addressed the Board regarding garbage and recycling collection in the District. She reported on issues for service during the previous month. Ms. Love requested WM provide the Board with a weekly report, containing WM's start and end times, number of trucks in use for garbage and recycling, and the number of residences not serviced each week. She added that this report will be uploaded to the District's Dropbox folder for review by the Board.

OPERATION OF DISTRICT FACILITIES

Mr. Williams presented and reviewed the monthly operations report from MOC, a copy of which is attached. Mr. Williams then requested authorization to write off three uncollectable accounts totaling \$318.97 and forward the accounts to a collection agency.

Following review and discussion, Director Uzelmeier moved to: (1) approve the operator's report; and (2) authorize MOC to write off three accounts totaling \$318.97 and forward those accounts to a collection agency. Director Scott seconded the motion, which passed by unanimous vote.

The Board considered termination of garbage and recycling service to delinquent customers included on the termination list attached to the operator's report. Mr. Williams said proper notice was sent to such customers of the opportunity to be heard in order to explain, contest, or correct the utility service bill and show reason why garbage and recycling service should not be terminated for reason of nonpayment, all as required by the District's Rate Order. After discussion, Director Uzelmeier moved that, because the residents on the attached list were neither present at the meeting nor had presented any statement on the matter, garbage and recycling service should be terminated in accordance with procedures set forth in the Rate Order, excluding homes on Sanderling Lane. Director Scott seconded the motion, which passed by unanimous vote. A copy of the termination list is included in the operator's report.

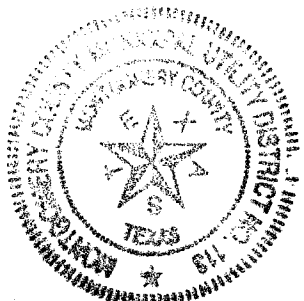
AMENDED ENGAGEMENT LETTER WITH MLG

Ms. Carter presented an amended legal services agreement with MLG (the "Agreement") and a Form 1295. After review and discussion, Director Garrett moved to approve the Agreement and directed that the

Agreement and Form 1295 be filed appropriately and retained in the District's official records. Director Green seconded the motion, which passed by unanimous vote.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



Chris Green

Secretary, Board of Directors

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